

MCE HOLDINGS BERHAD (Registration No: 201501033021 (1158341-K))*(Incorporated In Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
(THE FIGURES HAVE NOT BEEN AUDITED)

	As at 31.10.2020 Unaudited RM'000	As at 31.07.2020 Audited RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	64,835	65,474
Right-of-use assets	19,673	19,941
Investment property	1,304	1,308
Investment in an associate	363	393
Deferred tax assets	615	615
	<u>86,790</u>	<u>87,731</u>
Current Assets		
Inventories	17,003	14,752
Trade receivables	16,752	11,685
Other receivables	1,230	1,335
Tax recoverable	182	390
Cash and bank balances	8,577	4,422
	<u>43,744</u>	<u>32,584</u>
TOTAL ASSETS	<u>130,534</u>	<u>120,315</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	46,625	44,405
Reserves	34,287	32,639
	<u>80,912</u>	<u>77,044</u>
Non-controlling Interests	-	-
Total Equity	<u>80,912</u>	<u>77,044</u>
Non-Current Liabilities		
Lease liability	687	1,003
Borrowings	13,234	10,063
Deferred tax liabilities	179	84
	<u>14,100</u>	<u>11,150</u>
Current Liabilities		
Lease liability	1,017	1,011
Borrowings	9,110	12,382
Trade payables	20,028	14,117
Other payables	5,361	4,605
Tax payables	6	6
	<u>35,522</u>	<u>32,121</u>
Total Liabilities	<u>49,622</u>	<u>43,271</u>
TOTAL EQUITY AND LIABILITIES	<u>130,534</u>	<u>120,315</u>
Net assets per stock unit attributable to ordinary equity holders of the company (RM)	<u>1.6565</u>	<u>1.7350</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2020.

MCE HOLDINGS BERHAD (Registration No: 201501033021 (1158341-K))
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 OCTOBER 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3 Months Ended		3 Months Ended	
	31-Oct-20	31-Oct-19	31-Oct-20	31-Oct-19
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	28,896	17,817	28,896	17,817
Cost of sales	(24,549)	(17,906)	(24,549)	(17,906)
Gross profit/ (loss)	4,347	(89)	4,347	(89)
Other income	49	70	49	70
Selling and administrative expenses	(2,381)	(2,503)	(2,381)	(2,503)
Finance costs	(258)	(102)	(258)	(102)
Share of loss of associate	(30)	(144)	(30)	(144)
Profit/ (loss) before tax	1,727	(2,768)	1,727	(2,768)
Taxation	(79)	(9)	(79)	(9)
Profit/ (loss) for the period	1,648	(2,777)	1,648	(2,777)
Other comprehensive income/ (loss):				
Other comprehensive income/ (loss) for the period	-	-	-	-
Total comprehensive income/ (loss) for the period	1,648	(2,777)	1,648	(2,777)
Profit/ (loss) attributable to:				
Equity holders of the company	1,648	(2,777)	1,648	(2,777)
Non-controlling interests	-	-	-	-
	1,648	(2,777)	1,648	(2,777)
Total comprehensive income/ (loss) attributable to:				
Equity holders of the company	1,648	(2,777)	1,648	(2,777)
Non-controlling interests	-	-	-	-
	1,648	(2,777)	1,648	(2,777)
Earnings/ (loss) per share attributable to equity holders of the company:				
Basic and diluted (sen)	3.37	(6.25)	3.37	(6.25)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2020.

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NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The following amounts have been charged/ (credited) in arriving at profit/ (loss) before tax:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3 Months Ended		3 Months Ended	
	31-Oct-20	31-Oct-19	31-Oct-20	31-Oct-19
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	(18)	(9)	(18)	(9)
Government grant received	-	-	-	-
Interest expenses	258	102	258	102
Depreciation	997	855	997	855
Impairment of golf club membership	1	1	1	1
Provision/ (reversal) for warranties	197	78	197	78
Obsolete inventories written off	-	-	-	-
Loss/ (gain) on foreign exchange				
- realised	44	1	271	1
- unrealised	27	72	27	72
Plant and equipment written off	-	-	-	-

Save as disclosed above and in the Condensed Consolidated Statement of Comprehensive Income, the other items required by Bursa Malaysia Securities Berhad Main Market Listing Requirements, Chapter 9, Appendix 9B are not applicable to the Group.

MCE HOLDINGS BERHAD (Registration No: 201501033021 (1158341-K))
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 OCTOBER 2020**

(The figures have not been audited)

	← Attributable to Equity Holders of the Company → ← Distributable → Non-distributable			
	Share capital RM'000	Capital reserve RM'000	Retained profits RM'000	Total RM'000
At 1 Aug 2020	44,405	1,006	31,633	77,044
Issuance of new share	2,220	-	-	2,220
Other comprehensive income/ (loss)	-	-	-	-
Profit for the period	-	-	1,648	1,648
Total comprehensive income for the period	-	-	1,648	1,648
At 31 Oct 2020	46,625	1,006	33,281	80,912
At 1 Aug 2019	44,405	1,006	37,420	82,831
Other comprehensive income/ (loss)	-	-	-	-
(Loss) for the period	-	-	(2,777)	(2,777)
Total comprehensive (loss) for the period	-	-	(2,777)	(2,777)
At 31 Oct 2019	44,405	1,006	34,643	80,054

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2020.

MCE HOLDINGS BERHAD (Registration No: 201501033021 (1158341-K))
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 OCTOBER 2020
(The figures have not been audited)

	3 months ended	3 months ended
	31-Oct-20	31-Jul-19
	RM'000	RM'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (loss) before taxation	1,727	(2,768)
Adjustments for :		
Depreciation	997	855
Impairment of golf club membership	1	1
Share of loss of associate	30	144
Interest income	(18)	(9)
Interest expense	258	102
Short term accumulated compensated absences	151	179
Obsolete inventories written off	-	-
Inventories written down to net realisable value	-	-
Provision/ (reversal) for warranties	197	78
Loss on disposal of plant and equipment	-	-
Plant and equipment written off	-	-
Unrealised (gain)/ loss on foreign exchange	27	72
Fair value gain on short-term investments	-	-
Government grant income	-	-
	<hr/>	<hr/>
Operating profit / (loss) before working capital changes	3,370	(1,346)
Receivables	(4,962)	1,349
Inventories	(2,251)	(1,158)
Payables	6,292	2,552
	<hr/>	<hr/>
Cash generated from operations	2,449	1,397
Tax paid	(28)	(73)
Tax refund	250	-
Interest paid	(258)	(102)
	<hr/>	<hr/>
Net cash from operating activities	2,413	1,222
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	18	9
Purchase of property, plant and equipment	(85)	(1,663)
Net changes in investment securities	-	-
Acquisition of an associate	-	(261)
Government grant received	-	-
	<hr/>	<hr/>
Net cash (used in) investing activities	(67)	(1,915)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of ordinary share	2,220	-
Repayment of bankers' acceptance	(16,814)	-
Drawdown of bankers' acceptance	12,853	-
Repayment of hire purchase obligations	(310)	(1,129)
Drawdown of term loan	4,000	17,047
Repayment of term loan	(140)	(16,002)
	<hr/>	<hr/>
Net cash from/ (used in) financing activities	1,809	(84)
	<hr/>	<hr/>
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	4,155	(777)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	4,422	2,602
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<hr/> <u>8,577</u>	<hr/> <u>1,825</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	8,577	2,769
Bank overdraft (included under short term borrowings)	-	(944)
	<hr/> <u>8,577</u>	<hr/> <u>1,825</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 July 2020.

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 2020

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

This condensed consolidated interim financial statement (Condensed Report) has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Condensed Report should be read in conjunction with the audited financial statements of MCE Holdings Berhad (‘The Group’) for the financial year ended 31 July 2020. These explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 July 2020.

A2. Significant Accounting Policies

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the annual financial statements of the Group for the year ended 31 July 2020.

The adoption of the following new MFRSs, Amendments to MFRSs and IC Interpretation that came into effect and did not have any significant impact on the unaudited consolidated financial statements upon their initial application.

- Amendments to MFRS 3: Definition of a Business (effective from 1 January 2020)
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform (effective from 1 January 2020)
- Amendments to MFRS 16: COVID-19-Related Rent Concessions
- Amendments to MFRS 101 and MFRS 108: Definition of Material (effective from 1 January 2020)
- Amendments to References to the Conceptual Framework in MFRS Standards (effective from 1 January 2020)

The Group has not early adopted the following new or revised standards, amendments or IC Interpretations which are applicable to the Group that have been issued by the MASB but are not yet effective for the Group’s current financial period ended 31 Oct 2020:

MFRS, Amendments to MFRS and IC Interpretation	Effective for annual periods beginning on or after
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 2020

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A2. Significant Accounting Policies (Cont'd)

MFRS, Amendments to MFRS and IC Interpretation	Effective for annual periods beginning on or after
Amendments to MFRS 10 and MFRS 128	Deferred until further notice
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	

The adoption of the above pronouncements will not have any financial impact to the Group.

A3. Disclosure of Audit Report Qualification

The auditors' report of the Group's most recent audited financial statements for the financial year ended 31 July 2020 did not contain any qualification.

A4. Seasonal or Cyclical Factors Affecting Operations

The principal business operations of the Group are not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial period ended 31 October 2020.

A6. Material Changes in Estimates

There were no changes in estimates that have a material effect in the current quarter.

A7. Changes in Debt and Equity Securities

There were no issuance and repayment of debt securities, share buyback, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 31 October 2020.

A8. Dividends Paid

No dividend has been paid during the financial period ended 31 October 2020.

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 2020

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting

The Group is organized into 2 main reportable segments as follows: -

- Automotive parts - involved in manufacturing and trading of automotive parts.
- Healthcare services - involved in providing health care services.
(The healthcare services have yet to commence business)

The segmental information are as follows: -

<u>3 months ended 31 October 2020</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue	28,896	-	-	28,896
<u>Results</u>				
Segment results	2,248	(35)	-	2,213
Interest expenses				(258)
Share of loss of an associate				(30)
Unallocated expenses				(198)
Profit before taxation				<u>1,727</u>

<u>Cumulative 3 months ended 31 October 2020</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue	28,896	-	-	28,896
<u>Results</u>				
Segment results	2,248	(35)	-	2,213
Interest expenses				(258)
Share of loss of an associate				(30)
Unallocated expenses				(198)
Profit before taxation				<u>1,727</u>

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 2020

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (Cont'd)

<u>Assets & liabilities as at 31 October 2020</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000

Assets & liabilities

Segmental assets	132,872	33,716	(37,548)	129,040
Unallocated assets				1,494
Consolidated total assets				<u>130,534</u>

Segmental liabilities	50,529	5,623	(7,548)	48,604
Unallocated liabilities				1,018
Consolidated total liabilities				<u>49,622</u>

Other information

Capital expenditure	85	-	-	85
Depreciation and amortisation	998	-	-	998

No segmental information is provided on a geographical basis as the Group's activities are conducted primarily in Malaysia.

A10. Material Events Subsequent to the end of the Reporting Period

There were no material events subsequent to the end of the current financial period that have not been reflected in the interim financial reports for the said period as at the date of this report.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period under review.

A12. Contingent Liabilities and Contingent Assets

The Group has no material contingent liabilities and assets as at 31 October 2020.

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 2020

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of Performance

Comparison to preceding year corresponding quarter

For the first quarter ended 31 October 2020, the Group achieved consolidated revenue of RM28.896 million which was approximately 62.18% higher than the preceding year corresponding quarter. The increase in revenue was mainly due to higher demand for Original Equipment Manufacturer (“OEM”) products in the current quarter after Malaysia Government announced on the sales tax exemption on car purchase.

The Group recorded a profit after tax of RM1.648 million for the current quarter as compared to the loss after tax of RM2.777 million in the preceding year corresponding quarter mainly due to higher revenue generated and government grant such as wages subsidy received in current quarter which offsetting with the wages expenses.

B2 Material Changes in Profit/ (Loss) before Taxation for the Current Quarter with Immediate Preceding Quarter

	Current Quarter 31 October 2020 RM'000	Preceding Quarter 31 July 2020 RM'000
Revenue	28,896	25,698
Pre-tax profit before non-controlling interests	1,727	711
Pre-tax profit margin	5.98%	2.76%

For the current quarter, the Group achieved revenue of RM28.896 million, representing an increase of 12.44% as compared to the preceding quarter ended 31 July 2020. The increase was attributable to higher demand for OEM products in the current quarter after Malaysia Government announced on the sales tax exemption for cars. The Group recorded a pre-tax profit before non-controlling interests (“NCF”) of RM1.648 million for the quarter under review as compared to pre-tax profit of RM0.7 million for the preceding quarter. Pre-tax profit margin has increased from 2.76% to 5.70% as compared to the preceding quarter due to higher revenue generated at current quarter.

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 2020

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B3 Prospects Commentary

Malaysia is currently in the Recovery Movement Control Order (“RMCO”) stage running from 10 Jun 2020 to 31 December 2020 coupled with several economic stimulus packages such as Prihatin, Penjana, vehicle sales tax exemption introduced by the Government and the reduction of the Overnight Policy Rate to 1.75 by Bank Negara to spur and aid the economic recovery. In line with the expectation of the positive impact from the economic stimulus packages introduced by the Government, the Malaysian Automotive Association (“MAA”) revised upwards its forecast of the Total Industry Volume (“TIV”) for 2020 from 400,000 units in April 2020 to 470,000 units in July 2020. MAA had also projected that the TIV for 2021 and 2022 to improve to 550,000 units and 600,000 units respectively on the back of anticipated improvement in domestic spending as the global economy recovers from the COVID-19 pandemic (Source: Malaysian Automotive Association). However, the Group is generally cautious about its outlook and will continue to intensify its effort to improve operational efficiency and cost cutting measures.

B4 Variance of Actual Profit from Forecast Profit & Shortfall on Profit Guarantee

There is no profit forecast prepared for public release and no profit guarantee provided by the Group for the current financial period.

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.10.20	31.10.19	31.10.20	31.10.19
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- current year	(15)	21	(15)	21
- (Over)/ under provision in prior years	-	-	-	-
	(15)	21	(15)	21
Deferred tax	94	(12)	94	(12)
Tax expense	79	9	79	9

B6 Status of Corporate Proposals

There were no corporate proposals outstanding as at the date of issues of this quarterly report.

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 2020

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B7 Group Borrowings and Debt Securities

Group borrowings as at 31 October 2020:

	<u>RM'000</u>
(a) Secured borrowings	23,995
Unsecured borrowings	53
	<u>24,048</u>
(b) Short term	
- lease liability	1,017
- bankers' acceptances	7,231
- bank overdraft	-
- term loan	1,879
	<u>10,127</u>
Long term	
- lease liability	687
- term loan	13,234
	<u>13,921</u>
Total borrowings	<u>24,048</u>

All the above borrowings are denominated in Ringgit Malaysia.

B8 Financial Instruments

The Group enters into forward foreign exchange currencies contracts to hedge its exposure to fluctuations in foreign currency arising from purchases.

The Group has no outstanding derivative financial instruments as at 31 October 2020.

B9 Changes in Material Litigation

There was no pending material litigation as at 22 December 2020 being a date not earlier than 7 days from the date of this quarterly report.

B10 Dividends

No dividend is recommended for the current quarter (Q1-FY2021: Nil).

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 2020

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B11 Earnings per Share

The basic and diluted earnings per share are calculated as follows:

	3 months ended		12 months ended	
	31.10.2020	31.10.2019	31.10.2020	31.10.2019
Profit/ (loss) for the period attributable to ordinary equity holders of the company (RM'000)	1,648	(2,777)	1,648	(2,777)
Number of ordinary shares in issue ('000)	48,845	44,405	48,845	44,405
Basic and diluted earnings/ (loss) per share (sen)	3.37	(6.25)	3.37	(6.25)

B12 Memorandum of Understanding (“MOU”)

- i) The Group had entered into Memorandum of Understanding (“MOU”) with the following strategic partner with the intention to enhance its’ product technology, penetrate into global market and expand its’ existing product range:
 - a) SUZHOU PRACHTIG ELECTRONIC MATERIAL CO., LTD (“PRACHTIG”) on 8 October 2018 for the purpose of setting forth a framework for the consultation and exchange of information and technology. The cooperation in the current stage shall focus on the localization of automotive plastic parts and value added processes (hereinafter referred to as “Products”) in order to develop, produce, market and supply the Products in Malaysia and Association of Southeast Asia Nations countries and if so desired and mutually agreed by both parties to further extend the collaboration into an equity joint venture and other electronic and mechatronic parts.

On 28 November 2018, the Company entered into joint venture agreement with PRACHTIG and currently in the process of implementing the equity and capital structure of the joint venture company.

There were no further development to-date.

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 2020

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

- b) MALAYSIA AUTOMOTIVE ROBOTICS AND IoT INSTITUTE (“MARIi”) on 9 June 2020 to collaborate on the development of Malaysian Intelligent Transport System (ITS) and other automotive technological systems that is in line with the National Automotive Policy 2020. The major elements in such collaboration include the development of various technological components that enable autonomous driving and other advanced driving capabilities for automotive and non-automotive application e.g. agricultural and consumer sector. The technological components involved are camera, sensor, Light Detection and Ranging (LIDAR), Radio Detection and Ranging (RADAR), recorder, and other electronic and mechatronic components tat make up of Advanced Driver Assistance System (ADAS), automatic parking, and all kind of autonomous technology module and system. Other than the autonomous driving system, the collaboration also covers the development of various automotive technological systems and components that include functional switches, electronic control modules, digital meter cluster, and other components that are deemed crucial and strategic in the promotion of local industrial technological enhancement.

The MOU will be beneficial and will enhance the Group’s position and standing in the Industry and enable the Group to play a leading role as the preferred vendor for these technological components to be developed which is in the best interest of the Group.

There were no further development to-date.

B13 Authorized for issue

The interim financial statements were authorized by the Board of Directors in accordance with the resolution of the Directors on 22 December 2020.

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 2020

PART C – DISCLOSURE OF COVID-19 RELATED IMPACTS PURSUANT TO 9.03 OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

C1 Impact on the group’s cash-flows, liquidity, financial position and financial performance

The following summarize key financial performance ratio of the group:

	31.10.2020	31.07.2020
Trade debtors turnover days	53	57
Trade creditors turnover days	75	73
Working capital ratio	1.23	0.99
Debt-to-capital ratio	0.19	0.25

Trade debtor turnover days slightly improved from preceding quarter due to the cash inflow from debtors have improved over this quarter as higher sales generated from customers due to the sales tax exemption by government.

Trade creditor turnover days has slight increased from 73 days to 75 days. The group’s closing inventories had increased from RM14.8mil to RM17mil as compared to the preceding quarter due to higher sales generated for the current quarter.

The Group’s working capital ratio and debt-to-capital ratio are 1.23 and 0.19 as compared to the preceding quarter. The group is able to fulfil its financial obligations to meet the operating expenditure and has sufficient working capital to sustain the business in the foreseeable future.

By Order of the Board,

Lee Wee Hee (MAICSA 0773340)
SSM Practicing Certificate No. 201908004010
Company Secretary
Johor Bahru
Date: 22 December 2020